

## Infratil Limited

## Statement of Comprehensive Income

For the year ended 31 March 2024

	Notes	2024 \$000	2023 \$000
Dividends received from subsidiary companies		-	115,000
Subvention income		-	-
Operating revenue		247,402	240,328
<b>Total revenue</b>		<b>247,402</b>	<b>355,328</b>
Directors' fees		1,515	1,101
Management and other fees	13	215,693	233,862
Other operating expenses	4	30,440	5,988
<b>Total operating expenditure</b>		<b>247,648</b>	<b>240,951</b>
Operating surplus/(loss) before financing, derivatives, realisations and impairments		(246)	114,377
Net gain/(loss) on foreign exchange and derivatives		(18)	29
Net realisations, revaluations and (impairments)		-	71
Financial income	13	326,641	173,937
Financial expenses		(79,948)	(65,626)
Net financing income		246,693	108,311
<b>Net surplus before taxation</b>		<b>246,429</b>	<b>222,788</b>
Taxation expense	6	(2,095)	3,827
<b>Net surplus for the year</b>		<b>244,334</b>	<b>226,615</b>
<b>Total other comprehensive income after tax</b>		<b>-</b>	<b>-</b>
<b>Total comprehensive income for the year</b>		<b>244,334</b>	<b>226,615</b>

The accompanying notes form part of these financial statements.

## Infratil Limited

## Statement of Changes in Equity

For the year ended 31 March 2024

	Notes	Capital \$000	Other reserves \$000	Retained earnings \$000	Total \$000
Balance as at 1 April 2023		1,050,002	-	242,103	1,292,105
<b>Total comprehensive income for the year</b>					
Net surplus for the year		-	-	244,334	244,334
<b>Other comprehensive income after tax</b>					
Fair value movements in relation to executive share scheme		-	-	-	-
Total other comprehensive income		-	-	-	-
<b>Total comprehensive income for the year</b>		-	-	<b>244,334</b>	<b>244,334</b>
<b>Contributions by and distributions to owners</b>					
Share buyback		-	-	-	-
Shares issued		979,906	-	-	979,906
Shares issued under dividend reinvestment plan		6,746	-	-	6,746
Conversion of executive redeemable shares		-	-	-	-
Reserves transferred from amalgamated company		-	-	-	-
Dividends to equity holders	3	-	-	(149,508)	(149,508)
Total contributions by and distributions to owners		986,652	-	(149,508)	837,144
<b>Balance as at 31 March 2024</b>		<b>2,036,654</b>	<b>-</b>	<b>336,929</b>	<b>2,373,583</b>

## Statement of Changes in Equity

For the year ended 31 March 2023

Balance as at 1 April 2022		1,050,002	-	122,408	1,172,410
<b>Total comprehensive income for the year</b>					
Net surplus for the year		-	-	226,615	226,615
<b>Other comprehensive income after tax</b>					
Fair value movements in relation to executive share scheme		-	-	-	-
Total other comprehensive income		-	-	-	-
<b>Total comprehensive income for the year</b>		-	-	<b>226,615</b>	<b>226,615</b>
<b>Contributions by and distributions to owners</b>					
Share buyback		-	-	-	-
Shares issued		-	-	-	-
Shares issued under dividend reinvestment plan		-	-	-	-
Conversion of executive redeemable shares		-	-	-	-
Reserves transferred from amalgamated company		-	-	28,791	28,791
Dividends to equity holders	3	-	-	(135,711)	(135,711)
Total contributions by and distributions to owners		-	-	(106,920)	(106,920)
<b>Balance at 31 March 2023</b>		<b>1,050,002</b>	<b>-</b>	<b>242,103</b>	<b>1,292,105</b>

The accompanying notes form part of these financial statements.

## Infratil Limited

## Statement of Financial Position

As at 31 March 2024

	Notes	2024 \$000	2023 \$000
Cash and cash equivalents		-	-
Prepayments and sundry receivables		3,359	2,233
International Portfolio Incentive fees receivable from subsidiaries	13	158,647	164,132
Advances to subsidiary companies	13	3,246,783	2,005,433
<b>Current assets</b>		<b>3,408,789</b>	<b>2,171,798</b>
International Portfolio Incentive fees receivable from subsidiaries	13	117,430	146,317
Deferred tax	6	24,384	21,690
Investments	13	585,529	585,529
<b>Non-current assets</b>		<b>727,343</b>	<b>753,536</b>
<b>Total assets</b>		<b>4,136,132</b>	<b>2,925,334</b>
Bond interest payable		6,432	4,556
Accounts payable		9,720	6,680
Accruals and other liabilities		5,410	5,788
International Portfolio Incentive fees payable	13	158,647	158,647
Infrastructure bonds	7	156,097	121,954
<b>Total current liabilities</b>		<b>336,306</b>	<b>297,625</b>
International Portfolio Incentive fees payable	13	117,430	146,318
Infrastructure bonds	7	1,076,896	957,368
Perpetual Infratil Infrastructure bonds	7	231,917	231,917
<b>Non-current liabilities</b>		<b>1,426,243</b>	<b>1,335,603</b>
Attributable to shareholders of the Company		2,373,583	1,292,105
<b>Total equity</b>		<b>2,373,583</b>	<b>1,292,105</b>
<b>Total equity and liabilities</b>		<b>4,136,132</b>	<b>2,925,334</b>

Approved on behalf of the Board on 20 May 2024

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A.R. Garry  
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Director

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Director

The accompanying notes form part of these financial statements.

## Infratil Limited

## Statement of Cash Flows

For the year ended 31 March 2024

	Notes	2024 \$000	2023 \$000
<b>Cash flows from operating activities</b>			
<i>Cash was provided from:</i>			
Dividends received from subsidiary companies		-	115,000
Subvention income		-	-
Interest received		326,641	173,937
Operating revenue receipts		152,009	171,856
		478,650	460,793
<i>Cash was dispersed to:</i>			
Interest paid		(75,917)	(63,553)
Payments to suppliers		(145,256)	(169,792)
Taxation (paid) / refunded		(4,789)	(5,206)
		(225,962)	(238,551)
<b>Net cash flows from operating activities</b>	10	<b>252,688</b>	<b>222,242</b>
<b>Cash flows from investing activities</b>			
<i>Cash was provided from:</i>			
Net movement in subsidiary company loan		-	-
		-	-
<i>Cash was dispersed to:</i>			
Net movement in subsidiary company loan		(1,181,350)	(7,298)
		(1,181,350)	(7,298)
<b>Net cash flows from investing activities</b>		<b>(1,181,350)</b>	<b>(7,298)</b>
<b>Cash flows from financing activities</b>			
<i>Cash was provided from:</i>			
Proceeds from issue of shares		926,653	-
Issue of bonds		277,248	115,919
		1,203,901	115,919
<i>Cash was dispersed to:</i>			
Repayment of bonds		(122,104)	(193,696)
Infrastructure bond issue expenses		(3,627)	(1,457)
Repurchase of shares		-	-
Dividends paid	3	(149,508)	(135,710)
		(275,239)	(330,863)
<b>Net cash flows from financing activities</b>		<b>928,662</b>	<b>(214,944)</b>
Net cash movement		-	-
Cash balances at beginning of year		-	-
<b>Cash balances at year end</b>		<b>-</b>	<b>-</b>

Note some cash flows above are directed through an intercompany account. The cash flow statement above has been prepared on the assumption that these transactions are equivalent to cash in order to present the total cash flows of the entity.

The accompanying notes form part of these financial statements.

**Infratil Limited****Notes to the Financial Statements**

For the year ended 31 March 2024

**(1) Accounting policies***(A) Reporting Entity*

Infratil Limited ('the Company') is a company domiciled in New Zealand and registered under the Companies Act 1993. The Company is listed on the NZX Main Board ('NZX') and Australian Securities Exchange ('ASX'), and is an FMC Reporting Entity in terms of Part 7 of the Financial Markets Conduct Act 2013.

*(B) Basis of preparation*

The financial statements have been prepared in accordance with New Zealand Generally Accepted Accounting Practice ('NZ GAAP') and comply with New Zealand equivalents to International Financial Reporting Standards ('NZ IFRS') and other applicable financial reporting standards as appropriate for profit-oriented entities. The presentation currency used in the preparation of these financial statements is New Zealand dollars, which is also the Company's functional currency, and is presented in \$ thousands unless otherwise stated. The principal accounting policies adopted in the preparation of these financial statements are set out below. These policies have been consistently applied to all the periods presented, unless otherwise stated. To aid comparability certain balance sheet items have been represented from those reported in prior years to conform to the current year's presentation. Total equity remains unchanged.

The financial statements comprise statements of the following: comprehensive income; financial position; changes in equity; cash flows; significant accounting policies; and the notes to those statements. These are the separate stand alone financial statements of the Parent entity. Reference should be made to the consolidated financial statements of Infratil Group Limited for the Group position. The financial statements are prepared on the basis of historical cost.

*Accounting estimates and judgements*

The preparation of financial statements in conformity with NZ IFRS requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenses during the reporting period. Future outcomes could differ from those estimates. The principal areas of judgement in preparing these financial statements are set out below.

*(a) Valuation of investments*

Infratil completes an assessment of the carrying value of investments at least annually and considers objective evidence for impairment on each investment taking into account observable data on the investment, the fair value, the status or context of capital markets, its own view of investment value, and its long term intentions. Infratil notes the following matters which are specifically considered in terms of objective evidence of impairment of its investments, and whether there is a significant or prolonged decline from cost, which should be recorded as an impairment, and taken to profit and loss: any known loss events that have occurred since the initial recognition date of the investments, including its long term investment horizon, specific initiatives which reflect the strategic or influential nature of its existing investment position and internal valuations; and the state of financial markets. The assessment also requires judgements about the expected future performance and cash flows of the investment.

*(b) Accounting for income taxes*

Preparation of the financial statements requires management to make estimates as to, amongst other things, the amount of tax that will ultimately be payable, the availability of losses to be carried forward and the amount of foreign tax credits that it will receive. Actual results may differ from these estimates as a result of reassessment by management and/or taxation authorities.

*(C) Taxation*

Income tax comprises both current and deferred tax. Current tax is the expected tax payable on the taxable income for the year, using tax rates enacted or substantively enacted at the balance date, and any adjustment to tax payable in respect of previous years. Deferred tax is recognised in respect of the differences between the carrying amounts of assets and liabilities for financial reporting purposes and the carrying amounts used for taxation purposes.

The amount of deferred tax provided is based on the expected manner of realisation or settlement of the carrying amount of assets and liabilities, using tax rates enacted or substantively enacted at the balance sheet date. A deferred tax asset is recognised only to the extent that it is probable that future taxable profits or deferred tax liabilities will be available within the Company against which the asset can be utilised.

*(D) Impairment of assets*

At each reporting date, the Company reviews the carrying amounts of its investments and advances, to determine whether there is any indication that those assets have suffered an impairment loss. If any such indication exists, the recoverable amount of the asset is estimated in order to determine the extent of the impairment loss (if any). Where the asset does not generate cash flows that are independent from other assets, the Company estimates the recoverable amount of the cash-generating unit to which the asset belongs.

*(E) Borrowings*

Borrowings are recorded initially at fair value, net of transaction costs. Subsequent to initial recognition, borrowings are measured at amortised cost with any difference between the initial recognised amount and the redemption value being recognised in profit and loss over the period of the borrowing using the effective interest rate. Fees and other costs incurred in arranging debt finance are capitalised and amortised over the term of the relevant debt facility.

## Notes to the Financial Statements

For the year ended 31 March 2024

### (F) Foreign currency transactions

Transactions in foreign currencies are translated to the functional currency of the Company at exchange rates at the dates of the transactions. Monetary assets and liabilities denominated in foreign currencies at the reporting date are translated to the functional currency at the exchange rate at that date. The foreign currency gain or loss on monetary items is the difference between amortised cost in the functional currency at the beginning of the period, adjusted for interest and payments during the period, and the amortised cost in foreign currency translated at the exchange rate at the end of the period. Non-monetary assets and liabilities denominated in foreign currencies that are measured at fair value are translated to the functional currency at the exchange rate at the date that the fair value was determined. Foreign currency differences arising on translation are recognised in profit or loss.

### (G) New standards, amendments and pronouncements not yet adopted by the Company

There are no new standards that are not yet effective that would be expected to have a material impact on the Company, in the current or future reporting periods, and foreseeable future transactions.

### (2) Nature of business

The Company is the ultimate parent company of the Infratil Group, owning infrastructure businesses and investments in New Zealand, Australia, the United States, Asia and Europe. The Company is a limited liability company incorporated and domiciled in New Zealand. The address of its registered office is 5 Market Lane, Wellington, New Zealand.

### (3) Infratil shares and dividends

#### Ordinary shares (fully paid)

	2024 Shares	2023 Shares
Total authorised and issued capital at the beginning of the year	723,983,582	723,983,582
<i>Movements during the year:</i>		
New shares issued	107,906,405	-
New shares issued under dividend reinvestment plan	677,644	-
Conversion of executive redeemable shares	-	-
Share buyback	-	-
<b>Total authorised and issued capital at the end of the year</b>	<b>832,567,631</b>	<b>723,983,582</b>

All fully paid ordinary shares have equal voting rights and share equally in dividends and equity. At 31 March 2024 the Company held 1,662,617 shares as Treasury Stock (31 March 2023: 1,662,617).

#### Dividends paid on ordinary shares

	2024 cents per share	2023 cents per share	2024 \$000	2023 \$000
Final dividend prior year (paid 13 June 2023)	12.50	12.00	91,284	86,878
Interim dividend current year (paid 19 December 2023)	7.00	6.75	58,232	48,869
<b>Dividends paid on ordinary shares</b>	<b>19.50</b>	<b>18.75</b>	<b>149,516</b>	<b>135,747</b>

### (4) Other operating expenses

	2024 \$000	2023 \$000
Fees paid to the Company auditor	414	264
Administration and other corporate costs	30,026	5,724
<b>Total other operating expenses</b>	<b>30,440</b>	<b>5,988</b>

#### Fees paid to the Company auditor

	2024 \$000	2023 \$000
Audit and review of financial statements	376	242
Regulatory audit work	-	-
Other assurance services	38	22
Taxation services	-	-
Other services	-	-
<b>Total fees paid to the Company auditor</b>	<b>414</b>	<b>264</b>

The audit fee includes the fees for both the annual audit of the Group and Company financial statements and the review of the interim financial statements. Other assurance services relate to agreed upon procedure engagements.

### (5) Net realisations and (impairments)

At 31 March 2024 the Company reviewed the carrying amounts of loans to Infratil Group companies to determine whether there is any indication that those assets have suffered an impairment loss. The recoverable amount of the asset was estimated by reference to the counterparties' net asset position and ability to repay loans out of operating cash flows in order to determine the extent of any impairment loss. These balances are within the Infratil wholly owned group to entities also controlled either directly or indirectly by Infratil Limited.

## Notes to the Financial Statements

For the year ended 31 March 2024

### (6) Taxation

	2024 \$000	2023 \$000
Surplus before taxation	246,429	222,788
Taxation on the surplus for the period @ 28%	69,000	62,381
<i>Plus/(less) taxation adjustments:</i>		
Net realisations and (impairments)	-	-
Net benefit of imputation credits	-	-
Exempt dividends	-	(31,719)
Losses offset within Group	(75,666)	(30,683)
Subvention payment	-	-
Recognition of previously unrecognised deferred tax	-	-
Timing differences not recognised	-	-
Over provision in prior years	2,065	(3,806)
Other permanent differences	6,696	-
<b>Taxation expense</b>	<b>2,095</b>	<b>(3,827)</b>
Current taxation	4,789	5,206
Deferred taxation	(2,694)	(9,033)
	<b>2,095</b>	<b>(3,827)</b>

There was no income tax recognised in other comprehensive income during the period (2023: nil).

### Recognised deferred tax assets and liabilities

	Assets	
	2024 \$000	2023 \$000
Derivatives	-	-
Provisions	-	-
Tax losses carried forward	24,384	21,690
<b>Deferred tax assets</b>	<b>24,384</b>	<b>21,690</b>
	Liabilities	
	2024 \$000	2023 \$000
Derivatives	-	-
Employee benefits	-	-
Customer base assets	-	-
Provisions	-	-
Tax losses carried forward	-	-
Other items	-	-
<b>Deferred tax liabilities</b>	<b>-</b>	<b>-</b>
	Net Assets/(Liabilities)	
	2024 \$000	2023 \$000
Derivatives	-	-
Provisions	-	-
Tax losses carried forward	24,384	21,690
<b>Net deferred tax assets/(liabilities)</b>	<b>24,384</b>	<b>21,690</b>

### Changes in temporary differences affecting tax expense

	Tax Expense		Other Comprehensive Income	
	2024 \$000	2023 \$000	2024 \$000	2023 \$000
Derivatives	-	-	-	-
Provisions	-	-	-	-
Tax losses carried forward	2,694	9,033	-	-
Other items	-	-	-	-
	<b>2,694</b>	<b>9,033</b>	<b>-</b>	<b>-</b>

## Notes to the Financial Statements

For the year ended 31 March 2024

### (7) Infrastructure Bonds

	2024 \$000	2023 \$000
Balance at the beginning of the year	1,311,239	1,388,488
Issued during the year	277,248	115,919
Exchanged during the year	(52,248)	-
Matured during the year	(69,856)	(193,696)
Purchased by Infratil during the year	-	-
Bond issue costs capitalised during the year	(3,628)	(1,457)
Bond issue costs amortised during the year	2,425	2,246
Issue premium amortised during the year	(270)	(261)
<b>Balance at the end of the year</b>	<b>1,464,910</b>	<b>1,311,239</b>
Current	156,097	121,954
Non-current fixed coupon	954,619	835,252
Non-current variable coupon	122,277	122,116
Non-current perpetual variable coupon	231,917	231,917
<b>Balance at the end of the year</b>	<b>1,464,910</b>	<b>1,311,239</b>
<i>Repayment terms and interest rates:</i>		
IFT210 maturing in September 2023, 5.25% p.a. fixed coupon rate	-	122,104
IFT230 maturing in June 2024, 5.50% p.a. fixed coupon rate	56,117	56,117
IFT260 maturing in December 2024, 4.75% p.a. fixed coupon rate	100,000	100,000
IFT250 maturing in June 2025, 6.15% p.a. fixed coupon rate	43,413	43,413
IFT300 maturing in March 2026, 3.35% p.a. fixed coupon rate	120,269	120,269
IFT280 maturing in December 2026, 3.35% p.a. fixed coupon rate	156,279	156,279
IFT310 maturing in December 2027, 3.60% p.a. fixed coupon rate	102,403	102,403
IFT320 maturing in June 2030, 5.93% p.a. fixed coupon rate until June 2026	115,919	115,919
IFT330 maturing in July 2029, 6.90% p.a. fixed coupon rate	150,000	-
IFTHC maturing in December 2029, 7.78% p.a. variable coupon rate reset annually on 15 December	123,186	123,186
IFT270 maturing in December 2028, 6.78% p.a. fixed coupon rate	146,250	146,249
IFT340 maturing in March 2031, 7.08% p.a. fixed coupon rate	127,248	-
IFTHA Perpetual Infratil infrastructure bonds	231,916	231,917
<i>less: issue costs capitalised and amortised over term</i>	<i>(8,640)</i>	<i>(7,438)</i>
<i>add: issue premium capitalised and amortised over term</i>	<i>550</i>	<i>821</i>
<b>Balance at the end of the year</b>	<b>1,464,910</b>	<b>1,311,239</b>

#### Fixed coupon

The fixed coupon bonds the Company has on issue are at a face value of \$1.00 per bond. Interest is payable quarterly on the bonds.

#### Perpetual Infratil infrastructure bonds (IFTHA - 'PIIBs')

The Company has 231,916,000 (31 March 2023: 231,916,000) PIIBs on issue at a face value of \$1.00 per bond. Interest is payable quarterly on the bonds. On 15 November 2023 the coupon was set at 7.06% per annum until the next reset date, being 15 November 2024 (2023: 6.45%). Thereafter the rate will be reset annually at 1.50% per annum over the then one year swap rate for quarterly payments, unless Infratil's gearing ratio exceeds certain thresholds, in which case the margin increases. These infrastructure bonds have no fixed maturity date. No PIIBs (2023: nil) were repurchased by Infratil Limited during the year.

#### IFTHC bonds

The IFTHC bonds the Company has on issue are at a face value of \$1.00 per bond. Interest is payable quarterly on the bonds. The coupon for the IFTHC bonds for the 1-year period from (but excluding) 15 December 2023 was fixed at 7.78% per annum (for the 1-year period to 15 December 2023 the coupon was 7.89%). Thereafter the rate will be reset annually at 2.50% per annum over the then one year swap rate for quarterly payments.

#### IFT270 bonds

The interest rate of the IFT270 bonds was fixed at 4.85% for the first five years and then reset on 15 December 2023 for a further five years. The interest rate for the IFT270 bonds for the period from (but excluding) 15 December 2023 was fixed at 6.78% until the maturity date.

#### IFT320 bonds

The interest rate of the IFT320 bonds is fixed at 5.93% for the first four years and will then reset on 15 June 2026 for a further four years. The interest rate for the IFT320 bonds for the period from (but excluding) 15 June 2026 until the maturity date will be the sum of the four year swap rate on 15 June 2026 plus a margin of 2.00% per annum.

Throughout the period the Company complied with all debt covenant requirements as imposed by the bond supervisor.

At 31 March 2024 the Infratil Infrastructure bonds (including PIIBs) had a fair value of \$1,363.1 million (31 March 2023: \$1,203.4 million).



# Notes to the Financial Statements

For the year ended 31 March 2024

## (8) Financial instruments

The Company has exposure to the following risks due to its business activities and financial policies:

- Credit risk
- Liquidity risk
- Market risk (interest rates and foreign exchange)

The Board of Directors has overall responsibility for the establishment and oversight of the Company's risk management framework. The Board also has a function of reviewing management practices in relation to identification and management of significant business risk areas and regulatory compliance. The Company has developed a comprehensive, enterprise wide risk management framework. Management and Board participate in the identification, assessment and monitoring of new and existing risks. Particular attention is given to strategic risks that could affect the Company.

### Credit risk

Credit risk refers to the risk that a counterparty will default on its contractual obligations, resulting in financial loss to the Company. The Company is exposed to credit risk in the normal course of business including those arising from financial derivatives and transactions (including cash balances) with financial institutions. The Company has adopted a policy of only dealing with credit-worthy counterparties, as a means of mitigating the risk of financial loss from defaults. Derivative counterparties and cash transactions are limited to high-credit-quality financial institutions and other organisations in the relevant industry. The Company's exposure and the credit ratings of counterparties are monitored. The carrying amounts of financial assets recognised in the Statement of Financial Position best represent the Company's maximum exposure to credit risk at the reporting date. No security is held on these amounts.

### Liquidity risk

Liquidity risk is the risk that assets held by the Company cannot readily be converted to cash to meet the Company's contracted cash flow obligations. Liquidity risk is monitored by continuously forecasting cash flows and matching the maturity profiles of financial assets and liabilities. The Company's approach to managing liquidity is to ensure, as far as possible, that it will always have sufficient liquidity to meet its liabilities when due and make value investments, under both normal and stress conditions, without incurring unacceptable losses or risking damage to the Company's reputation.

The tables below analyse the financial liabilities by relevant maturity groupings based on the earliest possible contractual maturity date at the year end date. The amounts in the tables below are contractual undiscounted cash flows, which include interest through to maturity. Perpetual Infratil Infrastructure Bond cash flows have been determined by reference to the longest dated Infratil Bond maturity in the year 2031.

	Accounts payable, accruals and other liabilities \$000	Infrastructure bonds \$000	Perpetual Infratil Infrastructure bonds \$000	Derivative financial instruments \$000	Total \$000
<b>2024</b>					
Balance sheet	132,560	1,239,425	231,917	-	1,603,902
Contractual cash flows	132,560	1,385,891	345,848	-	1,864,299
6 months or less	15,131	30,677	8,187	-	53,995
6 to 12 months	-	30,677	8,187	-	38,864
1 to 2 years	86,984	222,754	16,373	-	326,111
2 to 5 years	30,445	549,243	49,120	-	628,808
5 years +	-	552,540	263,981	-	816,521
<b>2023</b>					
Balance sheet	317,433	1,083,878	231,917	-	1,633,228
Contractual cash flows	317,433	1,310,816	339,743	-	1,967,992
6 months or less	171,718	148,881	7,479	-	328,078
6 to 12 months	-	23,572	7,479	-	31,051
1 to 2 years	89,779	47,144	14,959	-	151,882
2 to 5 years	55,936	669,057	44,876	-	769,869
5 years +	-	422,162	264,950	-	687,112

## Notes to the Financial Statements

For the year ended 31 March 2024

### Market risk

#### Interest rates

Interest rate risk is the risk of interest rate volatility negatively affecting the Company's interest expense cash flow and earnings. The Company mitigates this risk by issuing borrowings at fixed interest rates or entering into Interest Rate Swaps to convert a portion of floating rate exposures to fixed rate exposure. Borrowings issued at fixed rates expose the Company to fair value interest rate risk which is managed by the interest rate profile and hedging.

#### Interest rate sensitivity analysis

The following table shows the impact on post-tax profit and equity of a movement in bond interest rates of 100 basis points higher/lower with all other variables held constant.

#### Profit or loss

100 bp increase  
100 bp decrease

	2024 \$000	2023 \$000
100 bp increase	(2,557)	(2,557)
100 bp decrease	2,557	2,557

There would be no material effect on equity.

### Foreign currency

The Company has exposure to currency risk on the value of its assets and liabilities denominated in foreign currencies, future investment obligations and future income. Foreign currency obligations and income are recognised as soon as the flow of funds is likely to occur. Decisions on buying forward cover for likely foreign currency investments is subject to the Company's expectation of the fair value of the relevant exchange rate.

#### Foreign exchange sensitivity analysis

At 31 March 2024, if the New Zealand dollar had weakened/strengthened by 10 percent against foreign currencies, with all other variables held consistent, post-tax profit would not have been materially different. There would have been no material impact on balance sheet components.

### Fair values

The carrying amount of financial assets and financial liabilities recorded in the financial statements is their fair value, with the exception of bond debt held at amortised cost which have a fair value at 31 March 2024 of \$1,363.1 million (31 March 2023: \$1,203.4 million) compared to a carrying value of \$1,464.9 million (31 March 2023: \$1,311.2 million).

### Capital management

The key factors in determining the Company's optimal capital structure are:

- Nature of its activities
- Quality and dependability of earnings/cash flows
- Capital needs over the forecast period
- Available sources of capital and relative cost

There were no changes to the Company's approach to capital management during the year.

The Company's capital includes share capital, reserves, and retained earnings. From time to time the Company purchases its own shares on the market with the timing of these purchases dependent on market prices, an assessment of value for shareholders and an available window to trade on the NZX. Primarily the shares are intended to be held as treasury stock and may be reissued under the Dividend Reinvestment Plan or cancelled. During the year, no shares were bought back by the Company (2023: nil).

The Company seeks to ensure that no more than 20% of its Infrastructure bonds mature in any one year period, and to spread the maturities of its facilities. The Company manages its interest rate profile so as to minimise net value volatility. This means having interest costs fixed for extended terms. At times when long rates appear to be unsustainably high, the profile may be shortened, and when rates are low the profile may be lengthened.

# Notes to the Financial Statements

For the year ended 31 March 2024

## (9) Investment in subsidiaries and associates

The significant investments of the Company and their activities are summarised below:

Subsidiaries	Holding 2024	Holding 2023	Principal activity	Country of incorporation
<b>New Zealand</b>				
Infratil 1998 Limited	100%	100%	Investment	New Zealand
Infratil 2018 Limited	100%	100%	Investment	New Zealand
Infratil 2019 Limited	100%	100%	Investment	New Zealand
Infratil AR Limited	100%	100%	Investment	New Zealand
Infratil Australia Limited	100%	100%	Investment	New Zealand
Infratil CHC Limited	100%	100%	Investment	New Zealand
Infratil Digital Exchange Limited	100%	n/a	Investment	New Zealand
Infratil Energy Limited	100%	100%	Investment	New Zealand
Infratil Energy New Zealand Limited	100%	100%	Investment	New Zealand
Infratil Europe Limited	100%	100%	Investment	New Zealand
Infratil Finance Limited	100%	100%	Finance	New Zealand
Infratil Gas Limited	100%	100%	Investment	New Zealand
Infratil HC Limited	100%	100%	Investment	New Zealand
Infratil HPC Limited	100%	100%	Investment	New Zealand
Infratil Infrastructure Property Limited	100%	100%	Investment	New Zealand
Infratil Investments Limited	100%	100%	Investment	New Zealand
Infratil No 1 Limited	100%	100%	Investment	New Zealand
Infratil No 5 Limited	100%	100%	Investment	New Zealand
Infratil PPP Limited	100%	100%	Investment	New Zealand
Infratil RE Limited	100%	100%	Investment	New Zealand
Infratil Renewables Limited	100%	100%	Investment	New Zealand
Infratil RHC Limited	100%	100%	Investment	New Zealand
Infratil TowerCo Limited	100%	100%	Investment	New Zealand
Infratil Ventures II Limited	100%	100%	Investment	New Zealand
Infratil Ventures Limited	100%	100%	Investment	New Zealand
NZ Airports Limited	100%	100%	Investment	New Zealand
Swift Transport Limited	100%	100%	Investment	New Zealand

The financial year-end of all the significant subsidiaries is 31 March.

## (10) Reconciliation of net surplus with cash flow from operating activities

	2024 \$000	2023 \$000
Net surplus for the year	244,334	226,615
<i>Less items classified as investing activity:</i>		
Loss/(profit) on investment realisations and impairments	-	72
<i>Add items not involving cash flows:</i>		
Movement in financial derivatives taken to the profit or loss	-	-
Other non cash movements	(2)	(73)
Amortisation of deferred bond issue costs & issue premium	2,155	1,985
<i>Movements in working capital</i>		
Change in receivables	33,246	103,133
Change in trade payables	3,040	531
Change in accruals and other liabilities	(27,391)	(100,989)
Change in deferred tax and tax receivable	(2,694)	(9,033)
<b>Net cash inflow from operating activities</b>	<b>252,688</b>	<b>222,242</b>

## Notes to the Financial Statements

For the year ended 31 March 2024

### (11) Commitments

There are no outstanding commitments (31 March 2023: nil).

### (12) Contingent liabilities

The Company and certain wholly owned subsidiaries are guarantors of the bank debt facilities of Infratil Finance Limited under a Deed of Negative Pledge, Guarantee and Subordination and the Company is a guarantor to certain obligations of subsidiary companies.

### (13) Related parties

Certain Infratil Directors have relevant interests in a number of companies with which Infratil has transactions in the normal course of business. A number of key management personnel are also Directors of Group subsidiary companies and associates.

Morrison Infrastructure Management Limited ('Morrison') is the management company for the Company and receives management fees in accordance with the applicable management agreement. Morrison is owned by H.R.L Morrison & Co Group Limited Partnership, in which Jason Boyes, a director and Chief Executive of Infratil, has a beneficial interest.

Note 9 identifies significant entities in which the Company has an interest. All of these are related parties of the Company. The Company has the following significant repayable on demand advances, investments to/from/in its subsidiaries and receivables:

Related Party	Interest income/(expense)		Intercompany	
	2024 \$000	2023 \$000	2024 \$000	2023 \$000
<i>Advances</i>				
Infratil Finance Limited	326,541	173,925	3,246,783	2,005,433
<i>Investments in</i>				
Infratil Investments Limited			87,665	87,665
Infratil 1998 Limited			12,000	12,000
Infratil Finance Limited			153,897	153,897
Infratil No. 1 Limited			78,024	78,024
Infratil PPP Limited			5,942	5,942
Infratil No. 5 Limited			248,001	248,001
<i>Receivables</i>				
Infratil Australia Limited			301	1,622
Infratil Europe Limited			20,639	-
Infratil PPP Limited			-	509
Infratil No. 5 Limited			106,839	138,938
Infratil 2018 Limited			-	27,743
Infratil Renewables Limited			109,875	141,637
Infratil AR Limited			22,845	-
Infratil HPC Limited			15,578	-

Where interest is charged/(incurred) on intercompany advances to/(advances from) subsidiaries, interest is charged/(incurred) at rates between 6.76% and 8.11% (2023: 6.38% and 6.88%). The Company had external interest income of \$100 thousand in FY2024 (2023: \$12 thousand).

Management and other fees incurred by the Company to Morrison or its related parties during the year were:

	2024 \$000	2023 \$000
Management fees	14	86,218
Executive secondment and consulting	-	-
International Portfolio Incentive fee	14	127,863
Directors fees	-	-
Financial management, accounting, treasury, compliance and administrative services	-	1,612
Investment banking services	-	-
<b>Total management and other fees</b>	<b>28</b>	<b>215,693</b>

At 31 March 2024 there was \$8.0 million owing to Morrison (31 March 2023: \$5.3 million included in accounts payable).

## Notes to the Financial Statements

For the year ended 31 March 2024

### (14) Management fees incurred under the Management Agreement with Morrison Infrastructure Management Limited

The day-to-day management responsibilities of the Company have been delegated to Morrison Infrastructure Management Limited ('Morrison') under a Management Agreement. The Management Agreement specifies the duties and powers of Morrison, and the management fees payable to Morrison for delivering those services. These include a New Zealand Portfolio Management Fee, International Portfolio Management Fee and International Portfolio Incentive Fees.

Management fees incurred under the Management Agreement during the year were:

	2024 \$000	2023 \$000
New Zealand & International Portfolio Management Fees	86,218	62,635
International Portfolio Incentive Fees	127,863	169,615
	<b>214,081</b>	<b>232,250</b>

#### *New Zealand Portfolio Management Fee*

The New Zealand base management fee is paid on the 'New Zealand Company Value' at 0.80% p.a. on the New Zealand Company Value above \$150 million, 1.00% p.a. on the New Zealand Company Value between \$50 million and \$150 million and 1.125% p.a. on New Zealand Company value up to \$50 million. The New Zealand Company Value is defined as:

- the Company's market capitalisation as defined in the Management Agreement (the aggregated market value of the Company's listed securities, being ordinary shares, partly paid shares and, Infratil Infrastructure bonds);
- plus the Company and its wholly owned subsidiaries' net debt (excluding listed debt securities and the book value of the debt in any non-Australasian investments);
- minus the cost price of any non-Australasian investments; and,
- an adjustment for foreign exchange gains or losses related to non-New Zealand investments.

#### *International Portfolio Management Fee*

The international fund management fee is paid at the rate of 1.50% per annum on:

- the cost price of any non-Australasian investments; and,
- the book value of the debt in any wholly owned non-Australasian investments.

#### *International Portfolio Incentive Fees*

International Investments are eligible for International Portfolio incentive fees ('Incentive fees') under the Management Agreement between Morrison and Infratil. The Agreement allows for incentives to be payable for performance in excess of a minimum hurdle of 12% per annum in three separate areas:

- Initial Incentive Fees;
- Annual Incentive Fees; and,
- Realised Incentive Fees.

To the extent that there are assets that meet these criterion, independent valuations are performed on the respective International Investments to determine whether any Incentive Fees are payable.

#### *International Portfolio Initial Incentive Fee*

The Company's investments in Kao Data and Gurin Energy are eligible for the International Portfolio Initial Incentive Fee assessment as at 31 March 2024 (31 March 2023: Qscan Group). Kao Data and Gurin Energy have generated a total initial performance fee of \$38.8 million (Kao Data: \$15.6 million, Gurin Energy: \$22.8 million) (31 March 2023: nil).

#### *International Portfolio Annual Incentive Fee*

Thereafter International Investments are grouped together, and an Annual Incentive Fee is payable at 20% of the outperformance of those assets against the higher of, a benchmark of 12% p.a. after tax, relative to the most recent 31 March valuation, or cost.

The Company's investments in CDC Data Centres, Galileo, Longroad Energy, RetireAustralia and Qscan Group are eligible for the International Portfolio Annual Incentive fee assessment as at 31 March 2024 (31 March 2023: CDC Data Centres, Galileo, Longroad Energy, RetireAustralia).

Based on independent valuations obtained as at 31 March 2024, an Annual Incentive Fee of \$127.8 million has been accrued as at that date (31 March 2023: \$169.6 million).

## Notes to the Financial Statements

For the year ended 31 March 2024

### International Portfolio Annual and Initial Incentive Fees

	2024 \$000	2023 \$000
CDC Data Centres	60,145	38,618
Galileo	23,120	(518)
Gurīn Energy	22,845	-
Kao Data	15,578	-
Longroad Energy	19,061	136,732
RetireAustralia	(5,935)	(5,216)
Qscan	(6,950)	-
	<b>127,863</b>	<b>169,616</b>

### Payment of Annual Incentive Fees

Any Annual Incentive Fee calculated in respect of a Financial Year is earned and paid in three annual instalments, with the second and third instalments being scaled down if the fair value of the relevant asset (including distributions, if any) is less than fair value or cost as at the 31 March for which the Incentive Fee was first calculated.

### International Portfolio Realised Incentive Fee

Realised Incentive Fees are payable on the realised gains from the sale, or other realisation of International Investments at 20% of the outperformance (since the last valuation date) against the higher of, a benchmark of 12% p.a. after tax, relative to the most recent 31 March valuation, or cost.

No Realised Incentive Fees were payable as at 31 March 2024 (31 March 2023: nil).

### (15) Segment analysis

During the year, the Company operated in predominantly one business segment, that of investments.

### Geographical segments

The Company operated in one geographical area, that of New Zealand. Certain subsidiaries of the Company invest in Australia, the United States, the United Kingdom, Asia and Europe.

### (16) Events after balance date

#### Dividend

On 20 May 2024, the Directors approved a fully imputed final dividend of **12.5** cents per share to holders of fully paid ordinary shares to be paid on **15 June 2024**.

# Notes to the Financial Statements

For the year ended 31 March 2024

## Directory

### *Directors*

Alison Gerry (Chair)

Jason Boyes

Paul Gough

Peter Springford

Kirsty Mactaggart

Andrew Clark

Anne Urlwin

### *Company Secretary*

Brendan Kevany

### *Registered Office - New Zealand*

5 Market Lane

PO Box 320

Wellington

Telephone: +64 4 473 3663

Internet address: [www.infratil.com](http://www.infratil.com)

### *Registered Office - Australia*

C/- H.R.L. Morrison & Co Private Markets

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NSW 2000

Telephone: +64 4 473 3663

### *Manager*

Morrison Infrastructure Management

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Wellington

Telephone: +64 4 473 2399

Facsimile: +64 4 473 2388

Internet address: [www.hrlmorrison.com](http://www.hrlmorrison.com)

### *Share Registrar - New Zealand*

Link Market Services

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80 Queen Street

PO Box 91976

Auckland

Telephone: +64 9 375 5998

E-mail: [enquiries@linkmarketservices.co.nz](mailto:enquiries@linkmarketservices.co.nz)

Internet address: [www.linkmarketservices.co.nz](http://www.linkmarketservices.co.nz)

### *Share Registrar - Australia*

Link Market Services

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NSW 2000

Telephone: +61 2 8280 7100

E-mail: [registrars@linkmarketservices.com.au](mailto:registrars@linkmarketservices.com.au)

Internet address: [www.linkmarketservices.com.au](http://www.linkmarketservices.com.au)

### *Auditor*

KPMG

Level 6

44 Bowen Street

Wellington 6011



# Independent Auditor's Report

To the shareholders of Infratil Limited

## Report on the audit of the financial statements

### Opinion

In our opinion, the financial statements of Infratil Limited (the 'company') on pages 1 to 15 present fairly, in all material respects:

- i. the company's financial position as at 31 March 2024 and its financial performance and cash flows for the year ended on that date;

in accordance with New Zealand Equivalents to International Financial Reporting Standards issued by the New Zealand Accounting Standards Board and International Financial Reporting Standards issued by the International Accounting Standards Board.

We have audited the accompanying financial statements which comprise:

- the statement of financial position as at 31 March 2024;
- the statements of comprehensive income, changes in equity and cash flows for the year then ended; and
- notes, including material accounting policy information.

### Basis for opinion

We conducted our audit in accordance with International Standards on Auditing (New Zealand) ('ISAs (NZ)'). We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

We are independent of the company in accordance with Professional and Ethical Standard 1 *International Code of Ethics for Assurance Practitioners (Including International Independence Standards) (New Zealand)* issued by the New Zealand Auditing and Assurance Standards Board and the International Ethics Standards Board for Accountants' *International Code of Ethics for Professional Accountants (including International Independence Standards)* ('IESBA Code'), and we have fulfilled our other ethical responsibilities in accordance with these requirements and the IESBA Code.

Our responsibilities under ISAs (NZ) are further described in the *Auditor's responsibilities for the audit of the financial statements* section of our report.

Our firm has also provided other services to the company in relation to other assurance engagements. Subject to certain restrictions, partners and employees of our firm may also deal with the company on normal terms within the ordinary course of trading activities of the business of the company. These matters have not impaired our independence as auditor of the company. The firm has no other relationship with, or interest in, the company.

### Use of this independent auditor's report

This independent auditor's report is made solely to the shareholders as a body. Our audit work has been undertaken so that we might state to the shareholders those matters we are required to state to them in the independent auditor's report and for no other purpose. To the fullest extent permitted by law, we do not accept or





assume responsibility to anyone other than the shareholders as a body for our audit work, this independent auditor's report, or any of the opinions we have formed.

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## Responsibilities of the Directors for the financial statements

The Directors, on behalf of the company, are responsible for:

- the preparation and fair presentation of the financial statements in accordance with generally accepted accounting practice in New Zealand (being New Zealand Equivalents to International Financial Reporting Standards) and International Financial Reporting Standards issued by the New Zealand Accounting Standards Board;
- implementing necessary internal control to enable the preparation of a set of financial statements that is free from material misstatement, whether due to fraud or error; and
- assessing the ability to continue as a going concern. This includes disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless they either intend to liquidate or to cease operations or have no realistic alternative but to do so.

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## Auditor's responsibilities for the audit of the financial statements

Our objective is:

- to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error; and
- to issue an independent auditor's report that includes our opinion.

Reasonable assurance is a high level of assurance but is not a guarantee that an audit conducted in accordance with ISAs NZ will always detect a material misstatement when it exists.

Misstatements can arise from fraud or error. They are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

A further description of our responsibilities for the audit of these financial statements is located at the External Reporting Board (XRB) website at:

<http://www.xrb.govt.nz/standards-for-assurance-practitioners/auditors-responsibilities/audit-report-2/>

This description forms part of our independent auditor's report.

The engagement partner on the audit resulting in this independent auditor's report is Brent Manning.

For and on behalf of

KPMG  
Wellington

20 May 2024